

CHAPTER 11

Small Disadvantaged Business Assistance Programs

A. Small Disadvantaged Business (SDB) Certification Program

The Federal Acquisition Regulation (FAR), Part 19.304 requires that small disadvantaged business concern must be certified by the Small Business Administration (SBA) to be eligible to receive a benefit as a prime or subcontractor based on its disadvantaged status. The small disadvantaged business must be certified as a small disadvantaged business (SDB) concern or have a completed SDB application pending at the SBA or a Private Certifier. The certification period for all small disadvantaged business concerns is three years. All small disadvantaged businesses that want to claim their status must be certified by October 1, 1999. 8(a) firms have been automatically certified by the Small Business Administration.

The contracting officer may accept an offeror's representation that it is an SDB concern for general statistical purposes. The provision at FAR 52.219-1, Small Business Program Representations, or 52.212-3(c)(2), Offeror Representations and Certifications - Commercial Items, is used to collect SDB data for general statistical purposes.

B. Price evaluation factor

Qualified prime contractors can receive a credit when using SDBs as subcontractors. This evaluation factor for SDB participation became effective January 1, 1999. The incentive applies only to competitive negotiated acquisitions over \$500,000, or \$1,000,000 in construction. The evaluation factor does not apply to small business set asides, 8(a) acquisitions, or contracts performed entirely outside the United States. The evaluation factor for SDB participation allows credit for subcontractors only in the SIC codes authorized by the US Department of Commerce benchmarks and requires that all SDBs be certified by the SBA. Once certified, firms remain on the SBA's list of SDB-certified firms for a period of three years.